

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 93-289-W - ORDER NO. 93-841✓  
SEPTEMBER 8, 1993

IN RE:	Application of Randolph Yarns Water	)	
	System for Approval of the Establishment	)	ORDER
	of rates for water service provided to	)	APPROVING
	its customers in York County, South	)	RATES AND
	Carolina.	)	CHARGES

This matter comes before the Public Service Commission of South Carolina (the Commission) by way of an Application filed by Randolph Yarns Water System (Randolph Yarns or the Company) for approval for establishment of water rates and charges for service provided to its customers in its service area in York County (near Rock Hill), South Carolina. The Company's Application, filed May 18, 1993, was filed pursuant to S.C. Code Ann., §58-5-240 (1976), as amended, and R.103-821 of the Commission's Rules of Practice and Procedure.

By letter dated May 18, 1993, the Commission's Executive Director instructed the Company to publish, one time, a prepared Notice of Filing in a newspaper of general circulation in the area affected by the Company's Application. Likewise, the Company was required to notify directly all customers affected by the proposed rates and charges. The Notice of Filing indicated the nature of

the Company's Application and advised all interested persons desiring to participate in the scheduled proceedings of the manner and time in which to file appropriate pleadings. The Company complied with these instructions and submitted Proof of Publication and Proof of Service of the Notice of Filing. A Petition to Intervene was filed on behalf of Steven W. Hamm, the Consumer Advocate for the State of South Carolina (the Consumer Advocate).

A public hearing relative to the matters asserted in the Company's Application was held on August 26, 1993, at 10:30 a.m. in the Commission's Hearing Room. The Honorable Henry G. Yonce, Chairman, presided. David R. LaFar, III., Chairman of the Board for Randolph Yarns, Inc. appeared for the company. Carl F. McIntosh, Esquire, represented the Consumer Advocate, and Florence P. Belser, Staff Counsel, represented the Commission Staff.

The Company presented the Testimony of Mr. LaFar to explain the services being provided by the Company, the financial statements and the reasons for the requested rates. No other witnesses were presented.

#### FINDINGS OF FACT

1. Randolph Yarns, Inc. is a corporation organized and existing under the laws of the State of South Carolina. The Company qualifies as a water utility operating in the State of South Carolina and is subject to the jurisdiction of the Commission pursuant to S.C. Code Ann. §58-5-10 et seq. (1976), as amended. (Application of Company.)

2. The Company provides water service to forty-seven (47)

residential customers in the old Carhart Mill and Village near Rock Hill in York County, South Carolina. Randolph Yarns also supplies water to the Randolph Yarns plant located here. (Application of Company.)

3. The present case is an establishment case. Randolph Yarns is in the primary business of spinning synthetic yarns used in the knitting and weaving textile trade throughout the United States. The plant and houses which make up the mill and village were built in the 1920's with the water system furnishing water to the houses and the plant. The houses have been sold or traded since that time, but the plant continues to maintain the water system. At present, the Company requests \$10.00 per month for use of its water services. This \$10.00 charge has never been approved by the Commission, and Mr. LaFar, when asked how the charge was set, replied that it seemed like a good rate. Mr. LaFar stated that Randolph Yarns does not wish to operate a water utility but continues to do so out of a moral obligation and a "grandfather" obligation to provide water to these customers who have been served by the system for many years. Mr. LaFar also testified that Randolph Yarns has been hopeful that the City of Rock Hill would provide water service to the plant and former mill village but that City water service is now doubtful. The Company proposes in its Application the establishment of flat rate fee of \$15.00 per month. The Company asserts that the establishment of the rates requested is needed to enable Randolph Yarns to allocate the cost of operating this system.

4. An examination of the proposed rates of the Company show that if we were to grant the rates as proposed, the rates would be excessive and unreasonable. Mr. LaFar testified that the expenses for the water system for 1992 were \$13,788. Mr. LaFar also testified that based on the 1992 expenses the estimated annual budget for 1993 is \$15,000. Of the \$15,000 annual budget, the Company allocated 50% of the budget and expenses to the Randolph Yarns plant and 50% to the residential customers. (see, Application, Exhibit D.). As illustrated by Exhibit D, which is part of the Application, the monthly cost to the customers would be \$13.30. The Commission therefore finds that the rates as proposed would be excessive and unreasonable. However, after examining the Company's proposed expenses and projected income, and considering the testimony as a whole, the Commission is of the opinion that the Company should be granted the rates and charges that appear in Appendix A attached hereto, i.e. \$13.00 per month flat rate. The Commission is of the opinion and so finds that the rates as approved are reasonable.

#### CONCLUSIONS OF LAW

1. Pursuant to S.C. Code Ann. §58-5-10 et seq. (1976), as amended, the Company is a public utility subject to the regulatory authority of the Commission to supervise and regulate rates and service of the public utilities in this State.

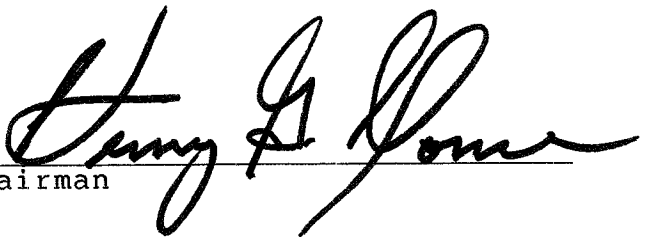
2. The Company's service area shall consist of the old Carhart Mill and Village located outside of Rock Hill in York County, South Carolina. The Company serves 47 residential

customers and the Randolph Yarns plant in this area.

3. The Commission concludes that the rates as approved herein and as shown in Appendix A, attached hereto, are reasonable in light of the testimony and the record as a whole.

4. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

  
Chairman

ATTEST:

  
Executive Director

(SEAL)

APPENDIX A

RANDOLPH YARNS, INC.  
P. O. BOX 3168-CRS  
ROCK HILL, S. C. 29731  
(803) 366-4136

FILED PURSUANT TO DOCKET NO. 93-289-W - ORDER NO. 93-841

EFFECTIVE DATE: SEPTEMBER 8, 1993

WATER SERVICE

MONTHLY SERVICE CHARGE:

FLAT RATE-----\$13.00 PER MONTH